

Message Text

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ACTION ARA-14

INFO OCT-01 ISO-00 CIAE-00 DODE-00 PM-05 H-01 INR-10
L-03 NSAE-00 NSC-05 PA-01 SP-02 SS-15 USIA-06
AID-05 COME-00 EB-08 FRB-03 TRSE-00 XMB-02
OPIC-03 LAB-04 SIL-01 OMB-01 CEA-01 STR-07 AGRE-00
DOE-11 SOE-02 OES-07 /118 W
-----053253 271929Z /45

R 271750Z FEB 78
FM AMEMBASSY GEORGETOWN
TO SECSTATE WASHDC 6291
INFO AMEMBASSY BRIDGETOWN
AMEMBASSY KINGSTON
AMEMBASSY PARAMARIBO
AMEMBASSY PORT OF SPAIN

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ARA/CAR PASS AMBASSADOR BURKE

E.O. 11652: N/A
TAGS: GY, PINT, EAID
SUBJECT: BURNHAMBJS REPUBLIC DAY SPEECH

SUMMARY: IN HIS SPEECH TO THE NATION ON FEBRURY 22, THE EVE
OF REPUBLIC DAY, PRIME MINISTER BURNHAM, FOLLOWING THE THEMES
OF HIS DECEMBER 18 AND JANUARY 1 STATEMENTS, CALLED AGAIN FOR
AUSTERITY, HARD WORK AND SELF-RELIANCE. HE PROMISED THAT
GUYANA'S "SOCIALIST THRUST" WOULD NOT BE ABATED. EXCEPT FOR
ANNOUNCING DECISIONS TO ESTABLISH A STATE PLANNING COMMISSION
TO PROCEED WITH PLANNING OF THE ECONOMY ALONG SOCIALIST LINES,
AND TO PLACE ALL FOREIGN TRADE UNDER STATE CONTROL, BURNHAM'S
SPEECH CONTAINED NOTHING NEW. HE AVOIDED DISCUSSION OF THE
BUDGET WHICH REPORTEDLY WILL BE PRESENTED FEBRUARY 27. EX-
HORTING GUYANESE TO BE SELF-RELIANT, HE STATED THAT ALTHOUGH
FOREIGN ASSITANCE WAS SOUGHT AND WOULD BE WELCOMED FROM
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FRIENDLY COUNTRIES--SOCIALIST AND NON-SOCIALIST--
DEVELOPMENT WOULD HAVE TO BE BASED UPON THE ACHIEVEMENTS,
HARD WORK AND DISCIPLINE OF GUYANESE. HE DID NOT DISCUSS
FOREIGN POLICY. THE SPEECH WAS MATTER OF FACT IN TONE,
CONTAINED SOME DIGS AT THE OPPOSITION, REVIEWED THE
COUNTRY'S ECONOMIC PROBLEMS, BUT WAS MILDLY UPBEAT IN
TONE, I.E., HIS MESSAGE WAS THAT ALL WAS NOT LOST IF THE

GUYANESE BECOME MORE PRODUCTIVE. THE SPEECH HAS AROUSED VERY LITTLE LOCAL COMMENT OR ENTHUSIASM. THOSE WHO EXPECTED WIDE RANGING COLORFUL RHETORIC, WITH SARCASM AND HUMOR WERE DISAPPOINTED. THOSE WHO HOPED FOR AN INDICATION OF A SHIFT TOWARD LESS GOVERNMENT CONTROL OF THE ECONOMY WERE ALSO DISAPPOINTED. RADICALS AND LEFTISTS WHO WOULD HAVE ENJOYED HEARING THE "IMPERIALISTS" ATTACKED FOR NO SATISFACTION EITHER. THE CONSENSUS IN THE DIPLOMATIC CORPS AND AMONG GOVERNMENT OFFICIALS WITH WHOM WE HAVE TALKED APPEARS TO BE THAT IT WAS A REALISTIC, IF MUNDANE, SPEECH. END SUMMARY.

1. GUYANA BEGAN ITS REPUBLIC DAY (FEBRUARY 23) CELEBRATION WITH A MASS GATHERING AT THE NATIONAL PARK SPORTS STADIUM DURING THE EVENING OF FEBRUARY 22. THE CAPACITY AUDIENCE OF ABOUT 20,000 WERE TREATED TO CULTURAL PROGRAMS INCLUDING DANCE GROUPS, COMEDIANS AND SINGING, AND AWARD CEREMONY IN WHICH GUYANESE WERE RECOGNIZED FOR SUPERIOR CONTRIBUTIONS DURING 1977 AND, MOST IMPORTANTLY, A POLICY SPEECH BY PRIME MINISTER BURNHAM.

2. BURNHAM SET THE MOOD AT THE OUTSET BY COMPLIMENTING THE GUYANESE FOR THEIR RESILIENCE--THEIR ABILITY TO RELAX, LAUGH AND CHEER--AND SENSE OF HUMOR WHICH ENABLE THEM EVEN IN TRYING CIRCUMSTANCES TO PERSEVERE. HE TOUCHED LIGHTLY ON GUYANESE ACHIEVEMENTS SINCE ACHIEVING LIMITED OFFICIAL USE

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REPUBLICAN STATSS, ACKNOWLEDGING THAT SUCCESS HAD BEEN TEMPERED BY DIFFICULTIES AND DISAPPOINTMENTS. HE REMINDED HIS PEOPLE THAT DURING THE PAST 12 MONTHS FREE EDUCATION, FROM NURSERY THROUGH UNIVERSITY, HAD BEEN IMPLEMENTED, AND THAT ALTHOUGH PRICES FOR GUYANESE EXPORTS WERE LOW, PRODUCTION IN CERTAIN AREAS HAD INCREASED. RICE PRODUCTION IN 1977, FOR THE FIRST TIME, HAD TOPPED 200 THOUSAND TONS. EVEN IN SUGAR "WHERE THE DESTABILIZERS MASQUERADING AS PROGRESSIVES SOUGHT TO RUIN THE INDUSTRY AND THE ECONOMY," GUYANA HAD BEEN ABLE TO MEET ITS QUOTA TO THE RELATIVELY HIGH PRICED MARKET OF THE EEC. HE COMMENDED THE VOLUNTEER WORKERS WHO HAD CUT CANE, AND SYMPATHIZED WITH THOSE STRIKING WORKERS WHO HAD BEEN "MISLED BY THOSE IN WHOM THEY HAD PREVIOUSLY PLACED THEIR TRUST," AND WHO HAD LOST "NEARLY G\$20 MILLION IN WAGES AND BONUSES." HE SAID THE GOV HARBORED NO ANIMOSITY AGAINST THE STRIKING WORKERS AND WOULD CONTINUE TO WORK TO FURTHER THEIR INTERESTS, JUST AS IT WOULD WITH ALL WORKERS.

3. CONTINUING ON ECONOMIC MATTERS, HE SAID THAT GUYANA'S 1977 OIL BILL ESCALATED TO OVER G\$200 MILLION, EVEN THOUGH THE QUANTITY OF IMPORTED OIL DECREASED FROM PREVIOUS YEARS.

DUE TO LOW DEMAND ABROAD, BAUXITE EXPORTS DECREASED AND
SUGAR PRICES REMAINED LOW.

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4. ALTHOUGH GUYANA'S ECONOMIC PROBLEMS REACHED CRISIS
PROPORTIONS DURING 1977, HE SAID, THE SITUATION WAS NOT
"IRREVERSIBLY TRAGIC AND HOPELESS." WEEPING, MENDICANCY AND
DEPENDENCY WOULD NOT SAVE GUYANA. A TIME FOR DECISIONS
AND "BOLD IMPLEMENTATION OF THOSE DECISIONS" WAS AT HAND.

5. UNDERLINING THE POLICY THRUST OUTLINED IN HIS BLACK
BUSH POLDER SPEECH DECEMBER 18 AND HIS JANUARY 1 MESSAGE,
HE SAID GUYANA'S DEVELOPMENT EFFORTS DURING THE PERIOD
1978-1980 WOULD CENTER MAINLY ON AGRICULTURE, FISHERIES
AND FORESTRY. ALSO AN EXPANSION IN PRODUCTION OF GOLD
AND PRECIOUS STONES WAS ENVISAGED, ALONG WITH THE COM-
PLETION OF A GLASS FACTORY AND A TEXTILE MILL. ALL THESE
ACTIVITIES WERE BASED ON USE OF GUYANA'S RESOURCES AND
WERE INTENDED TO REPLACE IMPORTS AND/OR EARN FOREIGN
EXCHANGE. THE GUYANA SUGAR CORPORATION (GUYSUCO) WOULD
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SPERHEAD THE AGRICULTURAL DIVERSIFICATION DRIVE AND WOULD BE RENAMED TO INDICATE THE DIVERSIFICATION. IMPROVED AGRICULTURAL STORAGE, TRANSPORTATION, MARKETING AND PROCESSING FACILITIES WOULD BE PART OF THE NEW EMPHASIS. STATE LANDS NOT BEING EFFECTIVELY USED WOULD BE REALLOCATED FOR BETTER USE AND MEASURES WOULD BE ADOPTED TO INDUCE PRIVATE LANDHOLDERS TO PUT THEIR LAND TO "SOCIAL AND NATIONAL USE."

6. TO SAVE FOREIGN EXCHANGE, LEGISLATION WOULD BE USED TO ENCOURAGE USE OF LOCAL PRODUCTS. THUS THE USE OF CEMENT AND CONCRETE FOR BUILDING WOULD BE APPROVED ONLY ON A CASE-BY-CASE BASIS, AND THE USE OF WOOD AND CLAY BRICKS WOULD BE STRESSED.

7 FINANCIAL ASSISTANCE FROM FRIENDLY COUNTRIES--SOCIALIST AND NON-SOCIALIST--AND INTERNATIONAL AGENCIES WAS BEING SOUGHT, BUT THE ONLY WAY FOR GUYANA TO PULL OUT OF ITS ECONOMIC CRISIS, BURNHAM SAID, WAS FOR THE GUYANESE TO BE MORE PRODUCTIVE. ONLY IN THIS WAY COULD THEY ESTABLISH "A JUST AND SOCIALIST SOCIETY WHERE WANT, DISCRIMINATION, POVERTY AND UNEMPLOYMENT ARE BANISHED..... WE EITHER PRODUCE OR BE DOOMED TO POVERTY AND SUBSERVENCY."

8. REFERRING TO THE INCREASE OF THE MINIMUM WAGE FOR PUBLIC EMPLOYEES LAST YEAR AND AGAIN ON JANUARY 1, 1978, HE REMINDED HIS LISTENERS THAT THE INCREASE HAD REPRESENTED AN ACT OF FAITH BY THE GOG AND WAS PREMISED ON INCREASED PRODUCTION AND PRODUCTIVITY, AND SAID THAT THE ECONOMY COULD NOT BEAR THE NEW WAGE LEVELS WITH THE OLD LEVELS OF PRODUCTIVITY. HE EXHORTED GUYANESE WORKERS TO STOP CLINGING TO OLD WORK HABITS. IN CONTRAST TO THE PAST, WHEN COLONIAL MASTERS COULD BE BLAMED FOR POVERTY, TODAY LIMITED OFFICIAL USE

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GUYANESE WERE RESPONSIBLE FOR SHAPING THEIR FUTURE AND DESTINY.

9. HE EMPHASIZED THE NEED FOR REDEPLOYMENT OF WORKERS AS PART OF THE PROCESS OF RESTRUCTURING AND MAKING THE ECONOMY MORE PRODUCTIVE. SOME "DISLOCATION OF LIFE STYLES" WOULD RESULT. THE REDEPLOYMENT, COUPLED WITH THE PLANNING COMMISSION, WOULD HELP ENSURE PURPOSEFUL MANAGEMENT OF THE ECONOMY. SOME EFFORTS WOULD BE SUCCESSES, OTHERS FAILURES, BUT THE IMPORTANT THING WAS TO AIM AT PERFECTION AND LEARN FROM EXPERIENCE.

10. THE ONLY REFERENCE TO FOREIGN POLICY IN THE SPEECH WAS A COMMITMENT THAT GUYANA, AS PART OF THE NON-ALIGNED MOVEMENT AND UN, WOULD CONTINUE ITS EFFORTS TO BRING ABOUT A NEW INTERNATIONAL ECONOMIC ORDER. IN CONCLUDING BURNHAM REMINDED HIS AUDIENCE THAT THE PEOPLE'S NATIONAL CONGRESS HAD LED THE COUNTRY OUT OF THE VIOLENCE AND TURMOIL THAT CHARACTERIZED THE FINAL YEARS OF JAGAN'S TENURE AS HEAD OF GOVERNMENT, AND LED IT OUT OF THE SHADOW OF COLONIALISM.

11. COMMENT: AS WITH BURNHAM'S OTHER SPEECHES DURING THE PAST THREE MONTHS, THIS ONE CONTAINED ALMOST NO SARCASM OR FLAMING RHETORIC. UNTIL NOW, DESPITE OWNERSHIP BY THE STATE OF ABOUT 80 PERCENT OF THE ECONOMY, THE ECONOMIC TOOLS USED TO MANAGE THE ECONOMY HAD REMAINED LARGELY THOSE USED BY FREE ENTERPRISE ECONOMIES. THE ESTABLISHMENT OF A PLANNING BOARD AND STATE CONTROL OF FOREIGN TRADE REPRESENTS A MOVE TOWARD USE OF SOCIALIST METHODS OF MANAGING THE ECONOMY. BURNHAM GAVE NO SPECIFICS ON THE SHAPE OF THE 1978 BUDGET (REPORTEDLY TO BE ANNOUNCED FEBRUARY 27). BURNHAM'S SPEECH HAS EVOKED LITTLE COMMENT TO DATE. SOME BUSINESSMEN HAVE COMPLAINED TO EMBASSY OFFICERS ABOUT PROPOSED LIMITED OFFICIAL USE

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STATE CONTROL OF FOREIGN TRADE. ON THE OTHER HAND, NATIONALISTS AND LEFTISTS APPEAR TO HAVE RECEIVED LITTLE GRATIFICATION FROM IT EITHER. CLEARLY THE SPEECH SIGNALLED NO MAJOR TURNS IN ANY DIRECTION. THE REAL SIGNALS WILL COME OUT OF THE BUDGET SPEECH. BLACKEN

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